

STATEMENT
of
THE HONORABLE BEULAH COUGHENOUR
Member, Indianapolis/Marion County City-Council

before the
UNITED STATES HOUSE OF REPRESENTATIVES
COMMIT-TEE
on
Government Reform and Oversight
SUBCOMMITTEE
on
National Economic Growth, Natural Resources, and Regulatory Affairs

with regard to the
WHITE HOUSE INITIATIVE ON GLOBAL CLIMATE CHANGE

2203 Rayburn House Office Building

April 23, 1998

Mr. Chairman, it is a pleasure to appear before your Subcommittee today to share my perspectives on the effects the White House's Initiative on Global Climate Change will have on American jobs and the American economy, including the economy in my home town of Indianapolis/Marion County, Indiana.

I am a member of the Indianapolis/Marion City-County Council. I chair the Council's Public Works Committee and have done so for 20 years. I have also chaired both the Committee on Energy, Environment and Natural Resources for the National League of Cities and the Committee on Environment, Energy and Land Use for the National Association of Counties. District 24, which I represent, has 34,000 people on the south side of Indianapolis/Marion County, including the St. Francis Hospital and Southport High School. I have a personal interest in a sound, healthful environment and have worked and continue to work to assure that my constituents have a healthy economy in which to work, educate their children, and lead productive lives.

Last June, I introduced a resolution on this subject before our City-County Council by which these issues were explored and considered carefully. Our Council supports a healthy environment and most everyone I know does. But I cannot support efforts that will produce no environmental benefits, possibly environmental detriments, all at great expense to the standard of living for my constituents. Not surprising to me, my resolution passed by an overwhelming vote of 26 to 1. On July 2, 1997, I submitted a similar resolution to the National Association of Counties. Both are attached to this statement, and I hope, will be made a part of your hearing record.

As someone who has worked throughout my more than 20 years of public service for protection of the environment, it grieves me to see the one-sided and damaging approach set forth in the White House Initiative. The Kyoto Protocol, a substantial underpinning to the White House initiative, is at best unfair. While it would legally bind its signatories to future reduction in greenhouse gases to 7% less than their 1990 emissions levels, it would not require **any** reductions in 134 of the World's 168 countries, including exclusions for China, India, Mexico, and the former Soviet Union countries. **But it is in these developing nations where greenhouse gas emission increases have been the most dramatic.** There is no credible, scientific or other factual basis on which to conclude or even infer that this Protocol will reduce emissions in the World as a whole--our real goal!

From my years of experience in implementing other air pollution requirements for our citizens, I know that the costs for reducing greenhouse gases in my home town as elsewhere in the United States are going to be multiples of the costs for reducing greenhouse gases in developing countries such as China or Mexico where pollution controls are relatively nonexistent. A pound of greenhouse gas is a pound of greenhouse gas whether it's in China or Mexico. A well thought out initiative would be moving toward developing and funding pollution controls in the developing nations until those controls have obtained a parity with the controls already in place in the more developed countries. **QUITE FRANKLY, I THINK IT IS IN THE ECONOMIC INTEREST OF THE UNITED STATES TO BE EXPORTING POLLUTION CONTROL**

**TECHNOLOGY TO DEVELOPING COUNTRIES SUCH AS CHINA RATHER THAN
EXCUSING THEM FROM CLEANING UP THEIR AIR QUALITY.**

It is virtually indisputable that the White House Initiative will result in higher energy prices, hitting hard the local economies that rely on energy intensive industries. For example, residential consumers would face a substantially higher energy bill under the proposed measure. Residential prices for energy would rise significantly above baseline levels in 2010: natural gas (73.5%) electricity (64.2%) and home heating oil (77.3%). The price of motor gasoline would also increase 49.9% relative to the baseline. These figures are according to WEFA, Inc., an international economic consulting firm.

Sharp increases in fuel and electricity prices would be felt across the nation. Industrial firms in Indiana would be burdened in the global competition for markets with price increases of over 90% for delivered natural gas and over 100% for electricity by 2010 versus baseline levels.

The steel, automobile manufacturing, agriculture, and coal mining industries in Indiana would experience severe impacts. These industries form the core of my State's economy. Implementation of this agreement could threaten thousands of good paying jobs--the very jobs that enable our local governments to thrive. Higher energy prices also threaten future economic development as businesses are forced by competition to move operations overseas in order to remain competitive. This uneven playing field

will put my community, and for that matter all of our Country's home towns, at a significant, possibly devastating disadvantage in the ever increastng global market place. And for what? Certainly not for a cleaner or better global environment!

In summary, we do know the White House Initiative on Global Climate Change (including the Kyoto Protocol) is unfair, will significantly, adversely affect the economy of the United States, including lost jobs and higher energy prices, ***and will do all the above with negligible global environmental benefit.*** As I said above, I think a better approach would be to reach out to the developing nations and work with them to assure that they have access to the pollution technology available today. They need that technology. Let's help them in a positive way, not by lowering the passing grade so that they can be pushed on into further environmental failure!

Again, I appreciate the opportunity to be able to provide this statement and would be pleased to respond to any questions or requests for further information that you might have.

CITY-COUNTY SPECIAL RESOLUTION NO. 51, 1997
Proposal No. 438, 1997

A SPECIAL RESOLUTION urging the U.S. President to reject the job-threatening U.N. treaty that would restrict energy usage by developed nations.

WHEREAS, the U.S. Government is involved in United Nations negotiations aimed at reducing greenhouse emissions in the post-2000 time period; and

WHEREAS, these negotiations are expected to culminate in an agreement by the end of 1997 which would legally bind the United States to reduce energy usage; and

WHEREAS, the "Benin Mandate Decision" already specifically exempts all developing countries from emission reduction requirements, which will preclude meaningful progress worldwide to stabilize carbon dioxide concentrations; and

WHEREAS, the U.N. negotiating parties made a fundamental error when they agreed to negotiate equally-binding restrictions on the United States and other industrialized countries but to exempt high-growth developing countries like China, Mexico, Brazil and Korea from any new carbon reduction commitments; and

WHEREAS, as much as 60 Percent of global carbon emissions are expected to come from developing countries in the next few decades; and

WHEREAS, the exclusion of new commitments by developing nations will create a powerful incentive to export jobs and capital from the U.S., shifting greenhouse gas emissions to other countries and do little or nothing to stabilize atmospheric concentrations of carbon; and

WHEREAS, such an uneven playing field will cause the loss of high-paying U.S. jobs in the mining, manufacturing, energy, transport and other sectors; and

WHEREAS, carbon taxes, or equivalent programs, will raise electricity, gasoline and other energy prices significantly to consumers and are highly regressive and most harmful to citizens who live on fixed incomes or work at poverty-level wages; and

WHEREAS, the U.S. Government has not completed a thorough economic analysis of the effects of a treaty on the U.S. economy, even though U.S. negotiators have been at the bargaining table for over 18 months and have agreed to a December, 1997. deadline for finalizing this far-reaching treaty or protocol; now, therefore:

BE IT RESOLVED BY THE CITY-COUNTY COUNCIL OF ME
CITY OF INDIANAPOLIS AND OF MARION COUNTY, INDIANA:

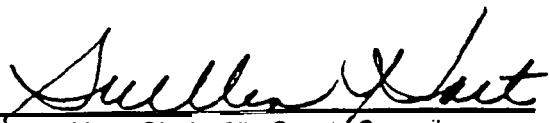
SECTION 1. The Indianapolis City-County Council urges the President to neither sign nor agree to sign in Kyoto in December, 1997, or thereafter, any agreement that applies mandatory commitments to reduce or limit greenhouse gas emissions only to the developed nations, thereby exempting developing nations; or that adversely affects the prosperity or employment stability of the people of the United States or any region or sector thereof.

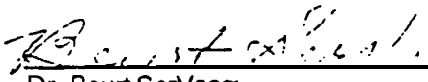
SECTION 2. The Mayor is invited to join in this resolution by affixing his signature hereto.

SECTION 3. This resolution shall be in full force and effect upon adoption and compliance with IC 36-3414.

The foregoing was passed by the City-County Council this 23rd day of June, 1997 at 9:05 p.m.

AI-TEST:

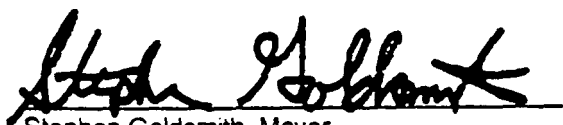

Suellen Hart, Clerk, City-County Council


Dr. Beurt SerVaas
President, City-County Council

Presented by me to the Mayor this 26th day of June, 1997 at 10:00 a.m.


Suellen Hart, Clerk, City-County Council

Approved and signed by me this 27th day of June, 1997.


Stephen Goldsmith, Mayor

STATE OF INDIANA. MARION COUNTY)
CITY OF INDIANAPOLIS) SS:

I, Suellen Hart, Clerk of the City-County Council, Indianapolis, Marion County, Indiana, do hereby certify the above and foregoing is a full, true, and complete copy of Proposal No. 438, 1997. a Proposal for SPECIAL RESOLUTION, passed by the City-County Council on the 23rd day of June, 1997, by a vote of 26 YEAS and 1 NAY. and was retitled Special Resolution No. 51, 1997. which was signed by the Mayor on the 27th day of June, 1997, and now remains on file and on record in my office.

WITNESS my hand and the official seal of the City of Indianapolis, Indiana, this 27th day of June, 1997.


Suellen Hart, Clerk City-County Council

(SEAL)

NATIONAL ASSOCIATION OF COUNTIES

ENVIRONMENT, ENERGY AND LAND USE STEERING COMMITTEE

RESOLUTION ON GLOBAL WARMING

WHEREAS, NACo supports the U.S. government's involvement in the United Nations negotiations aimed at reducing greenhouse gas emissions in the post-2000 period; and

WHEREAS, these negotiations are expected to culminate in an agreement by the end of 1997 which will legally bind the United States to reduce energy usage; and

WHEREAS, the "Berlin Mandate Decision" already specifically exempts all developing countries from emission reduction requirements, which will preclude meaningful progress worldwide to stabilize carbon dioxide concentrations; and

WHEREAS, the U.N. negotiating parties made a fundamental error when they agreed to negotiate legally-binding carbon restrictions on the United States and other industrialized counties but to exempt high-growth developing countries like China, Mexico, Brazil and Korea from any new carbon reduction commitments; and

WHEREAS, as much as 60 percent of global carbon emissions are expected to come from developing countries in the next few decades; and

WHEREAS, the exclusion of new commitments by developing nations will create a powerful incentive to export jobs and capital from the U.S., shift greenhouse gas emissions to other countries and do little or nothing to stabilize atmospheric concentrations of carbon; and

WHEREAS, such an uneven playing field will cause the loss of high-paying U.S. jobs in the mining, manufacturing, energy, transport and other sectors; and

WHEREAS, carbon taxes, or equivalent programs, will raise electricity, gasoline and other energy prices significantly to consumers and are highly regressive and most harmful to citizens who live on fixed incomes or work at poverty-level wages; and

WHEREAS, the U.S. Government has not completed a thorough economic analysis of the effects of a treaty on the U.S. economy, even though U.S. negotiators have been at the bargaining table for over 18 months and have agreed to a December, 1997 deadline for finalizing the far-reaching treaty or protocol:

THEREFORE, BE IT RESOLVED that the National Association of Counties urges the President to neither sign nor agree to sign in Kyoto in December 1997, or thereafter, any agreement that applies mandatory commitments to reduce or limit greenhouse gas emissions only to the developed nations, thereby exempting developing nations; or that adversely affects the people, prosperity or employment stability of the United States or any region or sector thereof.

Adopted by NACo
July 15, 1997